

# BROWNFIELD REDEVELOPMENT PROGRAM

MISSOURI DEPARTMENT OF ECONOMIC DEVELOPMENT

## PURPOSE

To provide financial incentives for the redevelopment of commercial/industrial sites owned by a governmental agency or that are privately owned. The sites must have been abandoned for at least three years and have contamination caused by hazardous substances.

## AUTHORIZATION

Section 447.700 to 447.718, RSMo.

## HOW THE PROGRAM WORKS

The program provides state income tax credits for eligible remediation costs. The Department of Economic Development (DED) may provide a grant for public infrastructure or a loan or guarantee for other project costs. Also, tax credits may be provided to businesses that create jobs at the facility. State tax credits may also be issued for non-remediation demolition costs.

## ELIGIBLE AREAS

Statewide, but the program is structured for projects in blighted redevelopment areas.

## ELIGIBLE APPLICANTS

The property must be owned by a public entity. If owned by a private entity, the city or county must endorse the project.

The project must result in the creation of at least (10) ten new jobs or the retention of 25 jobs by a private commercial operation. "New jobs" are defined as full-time (35+ hours/week) for persons who were not employed by the business or a related taxpayer for the prior year. Housing projects do not qualify, but mixed use (housing and commercial) may qualify.

The project must be accepted into the "Voluntary Cleanup Program" of the MO Department of

Natural Resources, and cannot be a EPA (Environment Protection Agency) "Superfund" site.

## ELIGIBLE USE OF FUNDS

- **Remediation Tax Credits**  
DED may issue "remediation" tax credits for up to 100% of the remediation cost. The amount of remediation tax credits is also limited to the net state economic impact of the project. The applicant may sell the remediation tax credits to another Missouri taxpayer.
- **Loan or Guarantee Funds**  
The applicant may use the guaranteed loan or direct loan funds to finance capital improvements at the project location. Loan proceeds may not be used for working capital, refinancing, inventory, purchase of stock from existing owners or other operating costs of the business or another entity.
- **Brownfield Tax Benefits**  
The operator or lessees may obtain (for up to ten years), tax credits between \$500 and \$1,300 per year for each new job created; tax credits based on 2% (annually) of new capital investment; and a 50% income exemption. The city must provide real property tax abatement (for up to 15 years).
- **Due Diligence Matching Grant**  
A public entity may request grant funding (up to \$100,000 per project or 50% of the cost) to fund a feasibility study on an eligible facility. The other 50% may be from the public entity or private sources.
- **Grant for Public Infrastructure**  
The public entity may also request grant funding for public capital improvements for up to \$1 million (less any funds provided by loans or guarantees for the same project). The public entity and owner must demonstrate the inability to finance the entire amount of improvements to be considered for grant funding.

- **Demolition Tax Credits**

DED may issue “demolition” tax credits for non-remediation demolition costs. The amount of demolition tax credits is also limited to the net state economic impact of the project. The demolition must be part of a city (or county) and state approved redevelopment plan. These credits are not transferable.

## **APPLICATION PROCEDURE**

An applicant must submit an application to DED for determination of eligibility. An application should also be submitted for remediation tax credits, Brownfield tax benefits, demolition tax credits, loan guarantees, a direct loan, and/or grant funding.

An application must also be submitted to the Department of Natural Resources (DNR) for participation in the “Voluntary Cleanup Program”. Acceptance into this program is a requirement of the Brownfield Redevelopment Program.

There are no application deadlines, and the program is non-competitive. Eligible projects are approved based on having a positive net state economic impact and the applicant’s need for incentives.

The application, guidelines and other program information is available at [www.missouridevelopment.org/business/economicassistancecenter](http://www.missouridevelopment.org/business/economicassistancecenter)

## **APPROVAL METHOD**

The remediation tax credits may be provided to the building owner upon documentation of actual expenses, except that at least 25% may be retained until the “clean letter” has been provided in conjunction with the Voluntary Cleanup Program.

## **FUNDING LIMITS**

The total state costs of the project (tax credits, loans, grants) must be less than the projected new state economic impact of the project. DED will determine the economic impact for each project.

The program provides state tax credits for up to 100% of remediation costs and up to 100% of non-remediation demolition costs. Guaranteed loans or

direct loans to an owner or operator of the property are limited to \$1 million.

Grants to public entities are also available up to \$100,000 or 50% for feasibility studies or other due diligence costs. Grants can also be issued up to \$1 million for the improvement of public infrastructure for the project. The total of grants, loans or guarantees cannot exceed \$1 million per project.

## **CONTACT**

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Community Redevelopment  
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## **OTHER INFORMATION SOURCES OF DED**

- Web site: [www.missouridevelopment.org](http://www.missouridevelopment.org)
- E-mail: [ecodev@ded.state.mo.us](mailto:ecodev@ded.state.mo.us)

## **MISSOURI ECONOMIC ASSISTANCE CENTER**

provides program summaries on resources that are available through the Department of Economic Development that maybe of assistance to your business or community. Visit the web site at [www.missouridevelopment.org/business/economicaassistancecenter](http://www.missouridevelopment.org/business/economicaassistancecenter)

**MISSOURI LOCATION ONE** is an internet-based searchable system that shows available buildings and sites across Missouri. This system allows location consultants and company owners to evaluate Missouri communities from across the nation quickly and at no cost. This system can be accessed at [www.missouridevelopment.org](http://www.missouridevelopment.org) and clicking on business.

The **COMMUNITY DEVELOPMENT** group offers over 15 different tax credit and grant programs to specifically meet the needs of not-for-profit organizations, community groups, and local government in areas such as infrastructure improvement, housing, violence prevention, and community facilities. For more information please call (573) 522-6155 or access the information at [www.missouridevelopment.org/communities](http://www.missouridevelopment.org/communities)